

# Indiana House of Representatives

---

## News and Information

*Media Office  
Democratic Caucus  
John Schorg, Director  
Statehouse, Room 157  
Indianapolis, Indiana 46204  
1-800-382-9842 or 1-317-232-9621  
Fax Number: 1-317-232-9792*

**FOR IMMEDIATE RELEASE:**

**January 27, 2006**

### **STATEHOUSE REPORT FROM REP. BOB KUZMAN**

INDIANAPOLIS – So now we know the starting price in auctioning off the assets of the state of Indiana: \$3.85 billion to give the Indiana Toll Road to foreign investors for the next 75 years.

After weeks of guesswork – 117 days, to be exact – we have the amount to be used to pay for every major road project in our state. Improvements to the toll road? Done. An extension of I-69 from Indianapolis to Evansville? Done. New bridges over the Ohio River in southern Indiana? Done.

Well, that's all settled. All we have to do is give the governor what he wants and all of our roads and bridges will be automatically improved. There's nothing to worry about.

Actually, there's quite a bit to be worried about, starting with the fact that no one can talk about this proposal in any kind of detail to tell us how it will impact this state, both now and in the near future. Just sign away the toll road, and let nature take its course.

But even the most cursory look at the details behind the governor's Major Moves program shows that we all should be very worried.

First of all, why is selling the Indiana Toll Road apparently the only option available to fund major road work in our state? Have other avenues been explored? Here are two that come to mind.

In anticipation of the takeover by the foreign investors, the Daniels Administration already has announced it will double tolls for drivers. If we simply advance that proposal, the state could raise more than \$5 billion in a little over 20 years. Why not explore that option instead of a plan that turns all toll revenue over to a foreign company for the next 75 years?

Indiana House Democrats have long advocated a proposal calling for the state to borrow against future federal gasoline tax proceeds to float what are called Garvee bonds to pay for major infrastructure improvements. This proposal already is in state law, thanks to a bipartisan vote in the 2005 session. Why hasn't this idea been explored in greater detail?

We also have learned recently that the agreement contains what is called a "non-compete" clause. What does this mean? In the strictest terms, the state must not make any effort to upgrade any major roadway that is found to be in competition with the Indiana Toll Road. If the foreign investor is found to have lost revenue from this "competitor," the state must reimburse its losses.

Put another way, if motorists choose to use another road – say, U.S. 20 – because they don't want to pay the extra tolls, and it is determined that the toll road is losing money because of it, the state will pay the lost revenue to the foreign investors. The state also will not be allowed to make major repairs to U.S. 20, because that would be an unfair competitive advantage.

Finally, a person has to wonder about the state's long-term obligations under this plan. If the foreign investor happens to go bankrupt or has to default on bond payments on its debt, the state will be required to pick up the tab.

In talking to many of you, I have determined that there is a serious concern about the people of Indiana

about the idea of toll money going into the pockets of foreign investors. It is also hard to accept that a foreign company with an ultimate goal of making a profit is going to make that a second priority to serving the public's needs. If the Indiana Toll Road is not a money-making enterprise, will these investors look to improve services or work to attain profits?

Perhaps many of these questions can be answered by looking at the agreement that the administration wants approved by the Legislature. It is hard to know, because none of us had the chance to examine the agreement until the day that the governor announced his Blue-Light Special on the Indiana Toll Road.

In all good conscience, I cannot agree to the plan until I am assured the people of Indiana are to be protected, and that this program is not simply a way to give foreign investors free access to the state's treasury. I am simply asking the same questions I feel would come from my constituents.

I have no problems with the idea of Major Moves, but I certainly wonder if the way it is being advanced to the people of Indiana involves some very Risky Business.

---30---

**This news release can be accessed on the Internet at [www.IN.gov/H19](http://www.IN.gov/H19)**